

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

THE ROMAN CATHOLIC DIOCESE OF
ROCKVILLE CENTRE, NEW YORK,

Debtor.

Chapter 11

Case No. 20-12345 (MG)

**ORDER REGARDING THE THIRD MODIFIED DISCLOSURE STATEMENT FOR
FIRST AMENDED PLAN OF REORGANIZATION PROPOSED BY
THE ROMAN CATHOLIC DIOCESE OF ROCKVILLE CENTRE, NEW YORK**

On January 8, 2024, the Official Committee of Unsecured Creditors (the “Committee”) filed an objection (the “Committee Objection,” ECF Doc. # 2793) to the *Debtor’s Motion (A) for an Order (I) Approving Disclosure Statement, (II) Approving Form and Manner of Service of Disclosure Statement Notice, (III) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject Plan of Reorganization, (IV) Approving Related Notice Procedures, and (V) Scheduling Hearing on Confirmation of Plan of Reorganization, or (B) in the Alternative, Dismissing the Debtor’s Chapter 11 Case* (the “Motion,” ECF Doc. # 2697), which sought approval of the *Disclosure Statement for First Amended Plan of Reorganization* (ECF Doc. # 2696), as modified on December 27, 2023 (ECF Doc. # 2755, Ex. C) and on January 12, 2024 (the “Disclosure Statement,” ECF Doc. # 2818, Ex. C).¹ The Committee opposed the Court’s approval of the Disclosure Statement on multiple grounds, including the following: (i) a lack of basis to “separate out the Litigating Abuse Claimants” (Committee Objection ¶ 4); (ii) the “expensive resolution process” outlined in the Trust Distribution Procedures (*id.*); and (iii) a lack of definition or explanation as to what it means to be a Settling Abuse Claimant or a Litigating

¹ Defined terms used but not defined herein shall have the meanings ascribed to them in the Disclosure Statement and the *Second Modified First Amended Chapter 11 Plan of Reorganization for the Roman Catholic Diocese of Rockville Centre, New York* (ECF Doc. # 2818, Ex. A).

Abuse Claimant and what allowance or disallowance of an Abuse Claim means for a creditor (*id.* ¶ 15). Such characteristics of the Plan, which the Committee has taken issue with, are not unique to this case.

Indeed, on January 12, 2024, the Diocese of Rochester and its Official Committee of Unsecured Creditors (the “Rochester Committee”) jointly filed the *Second Amended Joint Chapter 11 Plan of Reorganization for the Diocese of Rochester* in the Western District of New York (the “Rochester Plan,” Case No. 19-20905 ECF Doc. # 2426). The Rochester Plan, like the Plan here, also contemplates the funneling of abuse claims to a trust where such claims will be addressed in accordance with an “Allocation Protocol” and the governing trust documents. (Rochester Plan § 4.4 (“An Abuse Claimant whom the Abuse Claims Reviewer determines to be entitled to a Distribution, will receive a Distribution from the Trust in the amount(s) and at the time(s) provided for in the Allocation Protocol and Trust Documents”).) Additionally, certain holders of abuse claims may be authorized to proceed as “Litigation Claimants” to pursue their claims in “any court of competent jurisdiction” for certain limited purposes. (*Id.* ¶ 4.5.1.) Both the Committee and the Rochester Committee are represented by Pachulski Stang Ziehl & Jones LLP and Burns Bair LLP.

Accordingly, in anticipation of the hearing on the Debtors’ *Third Modified Disclosure Statement for Third Modified First Amended Plan of Reorganization Proposed by the Roman Catholic Diocese of Rockville Centre, New York* (the “Amended Disclosure Statement,” ECF Doc. # 2858) that is scheduled for February 8, 2024 at 10:00 a.m. (ET), to the extent the Committee seeks to object to the Amended Disclosure Statement on the same grounds, the Court directs the Committee to address in any response that it files why it can take issue with these

aspects of the Plan in this case when the Rochester Plan, which contains similar elements, has the support of the Rochester Committee.

IT IS SO ORDERED.

Dated: January 30, 2024
New York, New York

/s/ Martin Glenn
MARTIN GLENN
Chief United States Bankruptcy Judge